

Attorney Docket No. 47004.000049  
Application Serial No. 09/630,595

### **REMARKS**

This Amendment after Final Rejection is filed in response to a Final Rejection mailed on January 21, 2004 ("Final Rejection"). Claims 26, 28-33 and 35-40 are pending. Although the Final Rejection indicates that claims 26-40 are pending, Applicants request acknowledgement of the cancellation of claims 27 and 34 in the Amendment and Response filed on June 4, 2003. Further, Applicants request withdrawal of all rejections and/or objections to canceled claims 27 and 34.

Claim 26 has been amended. No new matter has been included. Support for the amendment to claim 26 can be found in the specification as originally filed at least at p. 2, lines 17-21; p. 9, lines 1-3; p. 10, lines 3-10; and Fig. 2.

#### **I. Consideration of References Cited In IDS Filed on February 10, 2003.**

Applicants filed an Information Disclosure Statement on February 10, 2003 which has not been acknowledged in either this Final Rejection or in the Office Action dated March 4, 2003. Applicants request acknowledgement that the Examiner has considered all of the references cited therein by returning a copy of the IDS with the Examiner's initials in the left hand column by each reference.

#### **II. Objection to Specification.**

The Examiner has objected to the amendments to the specification as allegedly adding new matter by way of the "authorization unit 118." Applicants respectfully submit that this is not new matter because one of ordinary skill in the art would recognize that there is some part of the transaction server that authorizes transactions. Support for this assertion is found in the specification where it expressly states that "In the embodiment illustrated in Fig. 2, the point of

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sale device 108 is additionally connected to a transaction server 116 via communications link 114 *for the purpose of authorizing in whole or in part transactions presented for payment using transponder 102.*" (emphasis added). See Specification at p. 9, lines 19-22. Additionally, Fig. 2 has been revised to show that the authorization unit is part of the transaction server, which is in accordance with the specification as originally filed.

Applicants submit that the test for whether an amendment to an application constitutes new matter is whether persons of ordinary skill in the art would recognize that the missing descriptive matter is necessarily present in the thing described. See MPEP § 2163.07(a). For example, where an application discloses a device that inherently performs a function, the application may later be amended to recite the function without adding new matter. See MPEP § 2163.07(a). The situation here is identical. Applicants expressly disclosed that one of the functions of the transaction server was authorizing the transaction. See Specification at p. 9, lines 19-22. Therefore one of ordinary skill in the art would recognize that the transaction server 116 has some part that is capable of performing this function, which has been termed by Applicants as the "authorization unit."

For additional support, Applicants disclosed both in the specification and in Fig. 2, as originally filed, that the point of sale device 108 may communication with the transaction server 116 "for the purpose of authorizing in whole or in part transactions presented for payment using transponder 102." See Specification at p. 9, lines 19-22. Applicants further disclosed that "the point of sale device 108 may communicate with transaction server 116 to validate a transaction amount or other information against account information stored in the transaction server 116." See Specification at p. 10, lines 7-10. Applicants respectfully submit that one of ordinary skill in

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the art of credit transactions would recognize that an authorization unit is necessarily present in the transaction server 116 to perform the expressly disclosed functions of "authorizing" or "validating" a transaction presented for payment using the transponder. Applicants further submit that the present specification amendment itself - "by authorization unit 134" - has been placed directly after the phrase - "for the purpose of authorizing" - which further makes clear that this unit performs the described and disclosed function. Accordingly, this amendment does not constitute new matter.

Applicants acknowledge the erroneous reference to element "118" as the authorization unit in Fig. 2, and have amended the specification and Fig. 2 to reference "authorization unit 134." Applicants respectfully request withdrawal of this objection over new matter.

### **III. Objections to the Drawings.**

Applicants have submitted a revised Fig. 2 to reflect that the authorization unit is element 134. Regarding the objection that the "authorization unit" constitutes new matter, Applicants respectfully request as discussed in Section II above that the new matter objection should be withdrawn.

### **IV. Claim Rejections Under 35 U.S.C. § 112, First Paragraph.**

The Examiner has rejected claims 26-40 under 35 U.S.C. § 112, first paragraph for allegedly containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Accordingly, this is a written description rejection. Specifically, the Examiner has asserted that the specification as filed does not disclose (a) "receiving by a transponder server of at least one issuing bank . . . at least some

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transponder information"; (b) a separate "authorization unit" which determines authorization; and (c) the specific elements of account table 112. *See* Final Rejection at p. 3. Applicants submit that the specification as filed provides support for the claim amendments and request withdrawal of these rejections.

**A. "Receiving by a transponder server of at least one issuing bank . . . at least some transponder information".**

The Examiner has rejected claims 26-40 under 35 U.S.C. § 112, first paragraph because allegedly the specification does not disclose the element in claim 26 of "receiving by a transponder server of at least one issuing bank . . . at least some transponder information." *See* Final Rejection at p. 3. Applicants respectfully submit that the written description requirement does not require that a claim element be disclosed *in haec verba* but rather the standard is whether there is express, implicit or inherent support in the specification. *See* MPEP § 2163(I)(B). "The fundamental factual inquiry is whether the specification conveys with reasonable clarity to those skilled in the art that, as of the filing date sought, applicant was in possession of the invention as now claimed." *Id.*, citing *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991).

Applicants submit that the specification as filed provides support for this limitation. A review of the entire application, which is the mandated approach to determining support for the claimed invention, shows that the invention of claim 26 and all dependent claims is directed to a method for transponder-activated transactions. *See* Specification at p. 2, lines 14-15. The transactions disclosed are commercial transactions. *See* Specification at p. 4, lines 10-12. The use of commercial transaction processing equipment is disclosed. *See* Specification at p. 4, lines

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13-14. The transponder of the invention contains an encoded ID. See Specification at p. 5, lines 3-4. In both disclosed embodiments, there is an account table which includes account number, balance, limit and other information for *inter alia* a debit account or a credit account. See Specification at p. 5, lines 7-9. The user of the invention approaches a point of sale device to initiate and complete a transaction. See p. 4, line 22-p. 5, line 2. The user waves a transponder in proximity of a receiver, which is connected to a point of sale device. See Specification at p. 4, lines 10-11; p. 5, lines 15-18. The transponder may establish a link with the receiver and be activated to radiate the encoded transponder ID to the receiver. See Specification at p. 5, line 18 to p. 6, line 1. Account information associated with the transponder ID and stored in either the transponder or in the transaction server is accessed for the purpose of authorizing the transaction. See Specification at p. 2, lines 18-20; p. 9, lines 2-3 and line 16- p. 10, line 4. The total purchase price may be validated against *inter alia* available credit for completion of the transaction. See Specification at p. 6, lines 8-10. In the embodiment of Fig. 2 and claim 26, the transaction server is connected to the point of sale device via a communications link "for the purpose of authorizing in whole or in part transactions presented for payment." See Specification at p. 9, lines 19-22.

A reading of the specification as filed thus clearly discloses that the method of the invention is intended to be used in connection with *inter alia* credit card transactions. See also Specification at p. 8, lines 19-21; p. 9, lines 4-6. Those of ordinary skill in the art know that credit card transactions are authorized by the issuing bank or financial institution that issued the credit card, or else by a data processor which performs that service on behalf of the issuing bank. Such issuing banks and/or financial institutions are typically part of credit networks. Thus, one of ordinary skill in the art would understand from the specification when read in its entirety that

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where the claimed method is used for a credit card transaction, the point of sale device is connected with a transaction server of an issuing bank, a financial institution or a credit network over the communications link.

Applicants respectfully request that the Examiner review the basis of his rejection in view of the record as a whole and withdraw this rejection, or else respond to Applicants' arguments.

**B. A separate "authorization unit" which determines authorization.**

Applicants respectfully submit that they have previously discussed how the specification provides support for an "authorization unit" that performs the express function of "authorizing the transaction." However, Applicants have amended claim 26 to more clearly define the invention and have restated this limitation in terms of the method -- authorizing payment -- and have deleted reference to the authorization unit. Therefore, Applicants respectfully request that this rejection be withdrawn.

**C. The specific elements of account table 112.**

The Examiner has rejected claims 26-40 as allegedly failing to provide written description support for the specific elements of account table 112. Claim 26 expressly claims that the financial account information comprises account number information, account type information, account balance information, and account limit information. Applicants submit that support for this limitation may be found in the specification as originally filed at p. 5, lines 7-9 (account table 112 may be or include account number, balance limit and other information for various types of accounts). Applicants therefore respectfully request that this rejection be withdrawn.

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**V. Claim Rejections Under 35 U.S.C. § 112, Second Paragraph.**

The Examiner has rejected claims 26-40 as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention, specifically due to the sec. 112, first paragraph rejections above. Applicants respectfully submit that each of the sec. 112, first paragraph rejections have been overcome and similarly request that this rejection be withdrawn.

**VI. Claim Rejections under 35 U.S.C. § 102.**

The Examiner has rejected claims 26-30 and 33-40 as allegedly anticipated under 35 U.S.C. § 102(b) by USPN 5,276,311 to Hennige ("Hennige") and USPN 5,253,345 to Fernandes et. al. ("Fernandes"). See Final Rejection at p. 4. Applicants respectfully submit that neither Hennige nor Fernandes disclose each and every limitation of claims 26-30 and 33-40.

**A. Rejection over Hennige.**

Hennige, according to the Examiner, discloses an ordinary credit card transaction including receiving by a transponder server of a credit network at least some transponder identification information (credit account number) emitted from a transponder substantially upon presentation of both the transponder and a transaction for payment at a POS device. *Id.* According to the Examiner, Hennige further discloses "receiving (at the credit authorization agency) at least some financial account information (the account number transmitted from the merchant) linked to the transponder identification information in an account table (the table includes account[] holder's name, billing address, available balance and credit, etc.); determining authorization based on the payment amount . . . ; communicating authorization to the POS device . . . ; paying the authorized payment amount to a merchant account associated with a merchant . .

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. . . ; issuing the transponder (credit card) to the holder of the account (the consumer); receiving the transponder identification information from multiple POS devices . . . ; the account type is a credit card; the transponder is embedded in a transaction card . . . ; and registering the financial account information . . . ” *Id.* at pp. 4-5.

Applicants respectfully submit that Hennige does not disclose each and every limitation of claims 26-30 and 33-40, and further that at least one of the limitations as set forth by the Examiner is not found in claims 26-30 and 33-40. Specifically, claims 26-30 and 33-40 do not disclose an element that reads “*receiving* (at the credit authorization agency) at least some financial account information linked to the transponder identification information. . . ” Rather, claims 26-30 and 33-40 claim “*receiving* by a transponder server . . . transponder identification information [and then] *retrieving* at least some of the financial account information associated with the transponder identification information from the account table.” Further, Applicants have amended claim 26 to expressly note that the transponder identification information does not include the financial account information, which includes the account number information. Hennige discloses only receiving a credit account number by the transaction server and then retrieving financial account information linked to the credit account number. However, credit account number is financial account information which is distinguished from the transponder identification information in claim 26. The specification as filed also supports the position that transponder identification information is separate from and does not include financial account information. *See* Specification at p. 2, lines 18-19 (“the transponder may be preferably encoded with *not merely* identifying or serializing information, *but also* account information . . .”) (emphasis added). *See also* Specification at p. 10, lines 3-10 (part or all of the account table may



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be stored in storage of the transaction server). Therefore, Hennige does not disclose this limitation and does not anticipate the invention.

In light of Applicants' amendment to claim 26 that the transponder identification information does not include the financial account information, Applicants respectfully submit that Hennige does not, and never did, disclose each and every limitation of claims 26-30 and 33-40, and respectfully request that this rejection be withdrawn.

**B. Rejection over Fernandes.**

The Examiner asserts that Fernandes discloses an ordinary credit card transaction including receiving by a transponder server of a credit network at least some transponder identification information (credit account number) emitted from a transponder (magnetic stripe in an ordinary credit card . . .) substantially upon presentation of both the transponder and a transaction for payment at a POS device. *See* Final Rejection at p. 5. According to the Examiner, Fernandes further discloses "receiving (at the credit authorization agency) at least some financial account information (the account number transmitted from the merchant) linked to the transponder identification information in an account table (the table includes account[] holder's name, billing address, available balance and credit, etc.); determining authorization based on the payment amount . . . ; communicating authorization to the POS device . . . ; paying the authorized payment amount to a merchant account associated with a merchant . . . ; issuing the transponder (credit card) to the holder of the account (the consumer); receiving the transponder identification information from multiple POS devices . . . ; the account type is a credit card; the transponder is embedded in a transaction card . . . ; and registering the financial account information . . ." *Id.* at pp. 5-6.

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Just as for Hennige, Applicants respectfully submit that Fernandes does not disclose each and every limitation of claims 26-30 and 33-40, and further that at least one of the limitations as set forth by the Examiner is not found in claims 26-30 and 33-40. Specifically, claims 26-30 and 33-40 do not disclose "*receiving* (at the credit authorization agency) at least some financial account information linked to the transponder identification information . . ." Rather, claims 26-30 and 33-40 claim "*receiving* by a transponder server . . . transponder identification information [and then] *retrieving* at least some of the financial account information associated with the transponder identification information from the account table." Further, Applicants have amended claim 26 to expressly note that the transponder identification information does not include the financial account information, which includes the account number information. Fernandes discloses only receiving a credit account number by the transaction server and then retrieving financial account information linked to the credit account number. However, credit account number is financial account information and is distinguished from the transponder identification information in claim 26. The specification as filed also supports the position that transponder identification information is separate from and does not include financial account information. *See* Specification at p. 2, lines 18-19 ("the transponder may be preferably encoded with *not merely* identifying or serializing information, *but also* account information . . .") (emphasis added). *See also* Specification at p. 10, lines 3-10 (part or all of the account table may be stored in storage of the transaction server). Therefore, Fernandes does not disclose this limitation and does not anticipate the invention.

Just as for Hennige, in light of Applicants' amendment to claim 26 that the transponder identification information does not include the financial account information, Applicants

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respectfully submit that Fernandes does not, and never did, disclose each and every limitation of claims 26-30 and 33-40, and respectfully request that this rejection be withdrawn.

#### **VII. Claim Rejections Under 35 U.S.C. § 103(a).**

The Examiner has rejected claims 31 and 32 as allegedly unpatentable over Fernandes in view of Ruppert, USPN 5,640,002 ("Ruppert"). *See* Final Rejection at p. 7. According to the Examiner, Ruppert discloses a card having RF and infrared capability to communicate with a POS device. *See id.* According to the Examiner, it would have been obvious for one of ordinary skill in the art at the time the invention was made to modify Fernandes as taught by Ruppert and include RF capabilities for the card. *See id.*

However, Applicants previously argued how Fernandes does not disclose each and every limitation of claim 26, and specifically does not teach receiving transponder identification information by a transaction server, where the transponder identification information does not include financial account information, such as credit or account number information, and then retrieving financial account information associated with the transponder identification information from an account table. Ruppert does not disclose this limitation, either. Therefore, the combination of Fernandes and Ruppert does not disclose each and every limitation of claim 26, and does not form a *prima facie* case of obviousness. Applicants respectfully request that this rejection be withdrawn.

#### **III. Response to Arguments.**

In response to the Examiner's other arguments, Applicants reply as set forth below. The Examiner has asserted that, under the doctrine of claim differentiation, claim 26 is presumed *not* to have a wireless interface since claim 31, which depends on claim 26, expressly claims a

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wireless interface. Accordingly, the Examiner "adopts the presumption that the difference is significant and that the structural features are different as well." See Final Rejection at p. 10.

Applicants submit that the doctrine of claim differentiation does not compel such a conclusion, and that claim 26 properly covers embodiments that include a wireless interface. The assertion by the Examiner that claim 26 *does not* cover a wireless interface conflicts with the requirements of 35 U.S.C. § 112, fourth paragraph and MPEP § 608.01(n)(III). The statute states that, "a claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers." MPEP § 608.01(n)(III) states that, "a proper dependent claim . . . shall not be conceivably be infringed by anything which would not also infringe the basic claim." If the Examiner's position were correct, in this case both the statute and the MPEP would be violated.

Consider a system as claimed in claim 31 which has a wireless interface between the transponder and the transponder receiver. According to the Examiner, claim 26 would therefore *not* have a wireless interface. A system having a wireless interface that infringed claim 31 would not infringe claim 26. Further, claim 31 would *not* include each and every limitation of claim 31. Such an interpretation directly contradicts the MPEP and therefore cannot be correct.

The cases cited by the Examiner do not hold otherwise. The *North American Vaccine* case is not about claim differentiation at all. See *North American Vaccine v. American Cyanamid Co.*, 7 F.3d 1571, 1577, 28 USPQ2d 1333, 1337 (Fed. Cir. 1993). The *Toro* case and the *CAE Screenplates* case are consistent with the statute and the MPEP. In *Toro*, the court held that an independent claim could not be interpreted broader than as supported in the specification. See *Toro Co. v. White Consolidated Indust., Inc.*, 199 F.3d 1295, 53 USPQ2d 1065, 1070 (Fed.

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Cir. 1999). In *CAE Screenplates*, the court compared the scope of three different independent claims based on the use of different terminology in those claims, not the scope of a dependent claim under the doctrine of claim differentiation. See *CAE Screenplates, Inc. v. Heinrich Fielder GmbH & Co. KG*, 224 F.3d 1308, 1317, 55 USPQ2d 1804, 1810 (Fed. Cir. 2000). The recited holdings of these cases further explain that the doctrine of claim differentiation applies only where there is an absence of difference in claim terms such so as to make a claim *superfluous*; *superfluous* meaning redundant; extra; unnecessary. See, e.g., Merriam Webster's Collegiate Dictionary Tenth Edition at p. 1182. Applicants respectfully submit that there is no absence of difference in meaning in the terms of claim 26 and claim 31 that would render either of these claims *superfluous* that compels the construction that the Examiner has placed on these claims under the cited authorities.

Applicants respectfully submit that dependent claim 31 includes all the limitations of claim 26 but specifies a further limitation of the subject matter claimed. See 35 U.S.C. § 112, fourth paragraph. It is perfectly reasonable, and in fact compelled by the statute, that claim 26 claims all types of interfaces between the transponder and the receiver, and claim 31 is limited to those systems having a wireless interface between the transponder and the receiver.

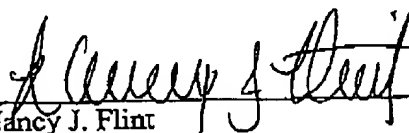
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**CONCLUSION**

Applicants respectfully request that the Examiner enter this Amendment after Final Rejection, and allow all pending claims. This Amendment After Final Rejection was filed within three months of the mailing date of the Final Rejection and it is believed that no fees are due with the filing. If any fees are found to be due, please charge to Deposit Account No. 50-0206.

Respectfully submitted,

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